

Take a second look at the opportunities a changing housing market brings

BY MICHAEL STRECH
NORTH STATE BUILDING INDUSTRY
ASSOCIATION

After an explosive couple of years, it's becoming clear that the housing market is settling into a more normal, balanced state. While mortgage interest rates remain low by historical standards, the uptick during the past few months as the Federal Reserve boosts rates to counter the nation's high inflation rate have caused many prospective buyers to slow their search for a new home.

However, those prospective

buyers may want to take a second look at the opportunities, especially when it comes to new homes.

As we've mentioned in prior articles, builders for the past couple of years have been faced with supply chain problems that has made it challenging at times to secure the materials needed to build and equip a new home in a timely manner. That has caused lengthy delays and often price adjustments for buyers. However, with production easing back somewhat and more supply chains being untangled, many of these issues are being resolved.

In addition, these market

changes have also caused the price of lumber to fall sharply in recent weeks from the extremely high levels builders have faced. Lumber is the biggest component of most new homes, and the skyrocketing prices in recent years have led to significant cost increases. With lumber costs dropping to more normal levels, builders are seeing a decrease in cost pressures there as well.

Another thing to consider is the peace of mind that comes with having a fixed-rate 15- or 30-year mortgage. Your payments will remain constant over

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the life of the mortgage, so you don't have to worry about rents continuing to climb. And that's something to keep in mind since inflation today is the highest it's been in 40 years.

And while the market is becoming more balanced between buyers and sellers, few economists see the unsettled market of 15 years ago returning. The steep decline in the market then was driven primarily by lax lending standards. Too many people who really couldn't afford to buy a home could and did,

and were left upside down when the market turned.

Today, the housing market is driven by supply and demand, and demand continues to outpace supply as builders in most parts of California face barriers to building the number of homes needed to fully meet the demand. With stricter lending standards in place, it is unlikely that we'll see a replay of what happened in the early part of this century.

Finally, consider that selection has never been better. Here in the Sacra-

mento region, there are over 200 active new-home communities featuring models in a wide variety of styles, sizes and locations. Homes are available from Galt to Yuba City and from Winters to Grass Valley and are designed for growing families and active adults and everything in between.

And of course, buying a new home allows you to make it your new home, with a wide array of countertops, appliances, flooring and other options to choose from. So check out the new homes guide on sacbee.com or any of the other new home websites today to find the new home of your dreams.